

# Washington State Auditor's Office

## Audit Report

---

### Underwood Conservation District Klickitat County

Audit Period  
January 1, 1997 through December 31, 1999

Report No. 61930

Issue Date  
January 26, 2001



Washington \_\_\_\_\_  
***State Auditor***  
\_\_\_\_\_  
Brian Sonntag

# Audit Summary

**Underwood Conservation District  
Klickitat County  
January 1, 1997 through December 31, 1999**

## ***ABOUT THE AUDIT***

This report contains the results of our independent audit of the Underwood Conservation District for the period January 1, 1997, through December 31, 1999.

We performed audit procedures to determine if the District complied with state laws and regulations and its own policies and procedures. We also audited the financial statements and evaluated internal controls established by District management. Our work focused on specific areas that have potential for abuse and misuse of public resources.

## ***RESULTS***

The District significantly complied with state laws and regulations and its own policies and procedures in the areas we examined. We also audited the financial statements and evaluated the internal controls established by District management.

# Table of Contents

**Underwood Conservation District  
Klickitat County  
January 1, 1997 through December 31, 1999**

Description of the District .....	1
Audit Areas Examined .....	2
Audit Overview .....	3
Independent Auditor's Report on Compliance with State Laws and Regulations .....	4
Independent Auditor's Report on Financial Statements .....	5
Financial Statements .....	6

# Description of the District

## **Underwood Conservation District Klickitat County January 1, 1997 through December 31, 1999**

### ***ABOUT THE DISTRICT***

The Underwood Conservation District develops and administers programs to conserve natural resources. The jurisdictional boundaries of the District include all of Skamania County and the western third of Klickitat County. A five-member Board of Supervisors administers the District. Citizens in the District elect three of the Board at-large. The State of Washington Conservation Commission appoints two of the Board. The goal of the District is to help all landowners and managers within our region meet their land management goals in careful consideration of the region's common property resources.

The District operates with an annual revenue base of approximately \$200,000 per year. Most of these dollars originate through state and federal grants. Grant sources include the Washington State Department of Ecology, Washington State Conservation Commission, Washington State Salmon Funding Recovery Board and U.S. Bonneville Power Administration. Currently, the District has four employees.

### ***ELECTED/APPOINTED***

These officials served during the audit period:

#### **Board of Supervisors:**

Chair	Bruce Lewis
Vice Chair	Steve Graves
Secretary	Larry Williams
	Phil Zoller
	Jaylin Ladiges

#### **Administrative Staff:**

District Manager	Steve Stampfli
Chief Financial Officer	Ann Gross
Watershed Restoration Technicians:	Susan James
	Chris Bove

### ***ADDRESS***

District	Park Center Building 170 Northwest Lincoln Street White Salmon, WA 98672-0096 (509) 493-1936
----------	---

# Audit Areas Examined

## **Underwood Conservation District Klickitat County January 1, 1997 through December 31, 1999**

In keeping with general auditing practices, we do not examine every portion of the Underwood Conservation District's financial activities during each audit. The areas examined were those representing the highest risk of noncompliance, misappropriation or misuse. Other areas are audited on a rotating basis over the course of several years. The following areas of the District were examined during this audit period:

### ***LEGAL COMPLIANCE***

We audited the following areas for compliance with certain applicable state and local laws and regulations:

- Conflict of interest
- Centennial Clean Water Fund
- Water Quality Grant Program
- Open Public Meetings Act

### ***INTERNAL CONTROL***

We evaluated the following areas of the District's internal control structure:

- Cash receipts
- Payroll
- Purchase of goods and services
- Cash disbursements – Treasurer's checking account

### ***FINANCIAL AREAS***

In addition to the financial-related work listed in other categories, we audited the following areas:

- Overall presentation of the financial statements
- Revenues
- Cash and investments
- Expenditures

# Audit Overview

## **Underwood Conservation District Klickitat County January 1, 1997 through December 31, 1999**

### ***AUDIT HISTORY***

We audit the Underwood Conservation District every three years. The past two audits of the District have reported no findings.

District officials have taken steps in the past to make improvements and correct conditions noted in prior audits. We believe this reflects the District's commitment to maintain an efficient operation.

### ***CONCLUSIONS***

In the areas examined, we found the District complied with state laws and regulations and its own policies and procedures. We also found the District's financial statements were accurate and complete.

We appreciate the District's commitment to ensure compliance with conditions reported this audit. We thank District officials and personnel for their assistance and cooperation during the audit.

# Independent Auditor's Report on Compliance with State Laws and Regulations

## **Underwood Conservation District Klickitat County January 1, 1997 through December 31, 1999**

Chairperson of the Board of Supervisors  
Underwood Conservation District  
White Salmon, Washington

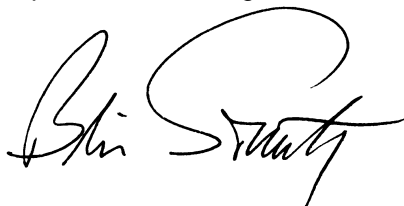
We have audited the financial statements of the Underwood Conservation District, Klickitat County, Washington, as of and for the years ended December 31, 1999, 1998 and 1997, and have issued our report thereon dated December 5, 2000.

We also performed tests of compliance with state laws and regulations as required by *Revised Code of Washington* (RCW) 43.09.260. This statute requires the State Auditor to inquire as to whether the District complied with the laws and the *Constitution of the State of Washington*, its own ordinances and orders, and the requirements of the State Auditor's Office.

Compliance with these requirements is the responsibility of the District's management. Our responsibility is to make a reasonable effort to identify any instances of misfeasance, malfeasance or nonfeasance in office on the part of any public officer or employee and to report any such instance to the management of the District and to the Attorney General. However, the objective of our audit of the financial statements was not to provide an overall opinion on compliance with these requirements. Accordingly, we do not express such an opinion.

The results of our tests indicated that, with respect to the items tested, the District complied, in all material respects, with the applicable laws and regulations referred to in the preceding paragraphs. With respect to items not tested, nothing came to our attention that caused us to believe that the District had not complied, in all material respects, with those provisions.

This report is intended for the information of management and the Chairperson of the Board of Supervisors and to meet our statutory reporting obligations. This report is a matter of public record and its distribution is not limited. It also serves to disseminate information to the public as a reporting tool to help citizens assess government operations.



**BRIAN SONNTAG, CGFM**  
STATE AUDITOR

December 5, 2000

# Independent Auditor's Report on Financial Statements

## **Underwood Conservation District Klickitat County January 1, 1997 through December 31, 1999**

Chairperson of the Board of Supervisors  
Underwood Conservation District  
White Salmon, Washington

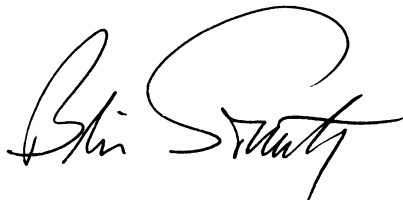
We have audited the accompanying financial statements of the Underwood Conservation District, Klickitat County, Washington, for the years ended December 31, 1999, 1998 and 1997. These financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As described in Note 1 to the financial statements, the District prepares its financial statements on the cash basis of accounting that demonstrates compliance with Washington State statutes and the *Budgeting, Accounting and Reporting System* (BARS) manual prescribed by the State Auditor, which is a comprehensive basis of accounting other than generally accepted accounting principles.

In our opinion, the financial statements referred to above present fairly, in all material respects, the recognized revenues and expenditures of the funds of the Underwood Conservation District for the years ended December 31, 1999, 1998 and 1997, on the cash basis of accounting described in Note 1.

Our audit was performed for the purpose of forming an opinion on the financial statements taken as a whole. The accompanying Schedules of State Financial Assistance are presented for purposes of additional analysis. These schedules are not a required part of the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly presented, in all material respects, in relation to the financial statements taken as a whole.



**BRIAN SONNTAG, CGFM**  
STATE AUDITOR

December 5, 2000



# Financial Statements

## **Underwood Conservation District Klickitat County January 1, 1997 through December 31, 1999**

### ***FINANCIAL STATEMENTS***

Revenues and Expenses Arising from Cash Transactions – 1999  
Revenues and Expenses Arising from Cash Transactions – 1998  
Revenues and Expenses Arising from Cash Transactions – 1997  
Notes to Financial Statements – 1999, 1998 and 1997

### ***ADDITIONAL INFORMATION***

Schedule of State and Local Financial Assistance – 1999  
Schedule of State Financial Assistance – 1998  
Schedule of State Financial Assistance – 1997  
Notes to the Schedule of State Financial Assistance – 1999, 1998 and 1997